GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2645
ANSWERED ON:19.12.2003
DECREASE IN IMPORT DUTIES
RENUKA CHOWDHURY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has been decreasing import duties in respect of a number of items and allowing access to Indian markets at the cost of local small and medium companies;

(b) if so, the reasons therefor; and

(c) the steps the Government is going to take to protect local industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI S. B. MOOKHERJEE)

(a) to (c):The Government has been reducing import duties in respect of a number of items. The rate rationalization and reduction of peak rates of customs duties has been an integral part of economic reform in the country and is geared towards making the Indian industry globally competitive. The reduction in customs duty also leads to the reduction of customs duty on inputs for the industry thus reducing costs for the industry including the small and medium sector.

As regards protection of domestic industry, the mechanisms of anti-dumping duty, and safeguard duty are available under the Customs Tariff Act which are used to take care of situations where imports are dumped below normal value or where there is a surge in imports, causing injury to the domestic industry.